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STATEMENT OF:
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DIRECTOR, DEFENSE INTELLIGENCE AGENCY
BEFORE THE SUBCOMMITTEE ON THE DEPARTMENT OF DEFENSE
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

The Report to the Committee on Appropriations, U.S. House of Representatives on the Management and Conduct of Military Intelligence Activities in the Department of Defense dated March 14, 1968 has been reviewed with great interest. Since the Report is the product of many months of extensive and world-wide research, it would be presumptive of DIA to attempt a thorough and complete analysis and response in the short period that the Report has been available to us. The observations which I shall make, as well as the more detailed response furnished the Staff are therefore offered in this context.

First, in merely covering as many varied and complex phases of DoD intelligence as are reported, the Investigating Team performed commendably. Those of us familiar with this multi-faceted subject appreciate the problems that the Team must have encountered.

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Next, may I address the Report and respectfully submit these general comments.

In many ways, the Team has astutely observed many problem areas which have confronted military intelligence, and for that matter, the entire intelligence community for many years. While considerable progress has been made in coping with these problems, DIA is aware that there is much yet to be done. I would be less than frank should I suggest that quick and easy solutions are readily available. However, DIA looks to the future with confidence.

Since the establishment of DIA there has been a dramatic change in the nature of the total general environment from that which existed when DIA was activated. Numerous operational crises during this period such as Cuba, Dominican Republic, the Middle East, and the larger problem of Southeast Asia, have shaped DIA's ability, time and resources to recast the management of Defense Intelligence, while at the same time responding to the extensive operational intelligence urgencies of the moment. The world situation, the changing nature of various government agencies, the newly emerging threats and the enlargement of the community of nations themselves, have

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been some of the factors that have caused a tremendous increase in the number of customers and requirements for DIA production and participation since 1961. All of these conditions are pertinent to an evaluation of the subject.

In essence, we submit that the Report identifies many problem areas with which we are familiar and expect to resolve in forthcoming years. While DIA is nominally about six years old, it must be remembered that DIA assumed functions and obtained resources in a gradual evolutionary manner. It is submitted that much has been accomplished in these few years in a most complex and changing environment. We appreciate the assistance rendered by the Report to the Committee on Appropriations on the Management and Conduct of Military Intelligence Activities in the Department of Defense in aiding us to identify areas for improvement.

I should like now to comment briefly on specific problems addressed in the Report.

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SECTION II - PLANNING AND PROGRAMMING OF MILITARY INTELLIGENCE ACTIVITIES

Within DIA, separate and distinct from the question of the CIP, as the result of an extensive study, I have recently directed the establishment of a new office to improve our overall capability in providing systems analysis support to intelligence planning and programming. We are undertaking to do this through realigning existing functions and resources to advance the development of the DoD intelligence system through planning, analysis, research, and experimentation.

The Report has identified major problems relating to the Consolidated Intelligence Program (CIP) which the staff singled out for special attention and critical analysis. There are four major points which I would like to make:

1. The CIP is directed by the Secretary of Defense and is an integral part of the DoD Planning-Programming-Budgeting System.

2. The CIP, despite recognized problem areas, has been considered to be a useful management tool, particularly at the higher levels of the DoD and by the BoB.

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3. Most of the major problems noted in the Report have been previously identified and have resulted in a study of functional reviews by OSD which is currently under way.

4. Ultimate decision to either modify functional reviews or replace them with a different management system will require balancing the proven benefits of the functional review against the demonstrated problems devolving from the reviews.

The CIP is one of several functional reviews which are directed by OSD as a part of the DoD planning-programming-budgeting system. It was decided six years ago by OSD that the resources supporting certain functional areas, one of which was intelligence, needed to be reviewed annually at a national level. In the case of intelligence, two functional programs were established - one for DoD cryptologic activities and other for those key DoD intelligence activities which provide military intelligence to support planning and decision-making needs of national authorities, OSD, JCS, the military services and the Unified and Specified Commands. The latter grouping of activities was designated as the CIP.

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The rationale was that the resources for these activities should be reviewed both as a system and as they relate to other comparable DoD and U. S. intelligence activities.

It was decided that tactical units should be excluded from this periodic review except on a selective basis when specially tasked to contribute to the peacetime intelligence needed in Washington or by Unified and Specified Commanders. These excluded combat support activities are relatively static in size, based on their wartime combat intelligence responsibilities. They are integral to the combatant command structure and are reviewed under standards of management which give major weight to the requirements of the command combat mission rather than the contribution which their resources make in peacetime to the overall military intelligence effort. These are programmed elsewhere in the Five Year Defense Program together with the elements which they support. These are organic parts of numbered armies, fleets, and air forces, totalling to a large extent the [redacted] spaces not covered by either the CIP or the CCP.

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Problems associated with the CIP are being studied by OSD.

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We will insure that the observations contained in the staff report are fully considered in this study. It is my understanding the Secretary of Defense's decision on the future of the CIP will be made within the context of the entire DoD planning-programming-budgeting system. A decision may be made to either modify the CIP procedures to reduce the existing administrative burden and cycling problems, without losing the management value of the CIP; or terminating the CIP and replacing it with an alternative management system.

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SECTION III - SUPPORT OF MILITARY INTELLIGENCE

This section of the report focuses on DIA responsibility for the Defense Intelligence Dissemination Program, Automatic Data Processing, and Intelligence Career Development and Training.

First let me address the findings of the staff with regard to the Defense Intelligence Dissemination Program. Specifically, the Staff was concerned with the time which elapsed from the receipt of a hard copy Information Report (IR) until that report was available to an analyst from an automated library, known as the Minicard System. The Minicard System, as a result of coding, indexing, and miniaturizing process, stores documents (including Information Reports) so that they can be automatically retrieved to meet analysts' "on-going research needs." I should like to note that these "on-going research needs" relate to that research and analytical effort involved primarily in producing intelligence products which are scheduled for the current fiscal year and the five follow-on years, or through FY 1973. I should like to stress that these on-going research needs for Information Reports involved in meeting scheduled production are quite apart, quite different from our current intelligence needs

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for a constant flow of significant, "hot" up-to-the-minute information which comes in from all parts of the world around the clock on a twenty-four hour basis.

At the outset, let me explain that any hot, new or significant information contained in a hard copy Information Report would have been received in an electrical message long before any Information Report reaches the DIA Dissemination Center. It is for this reason that Information Reports are dispatched in hard copy form through the regular mail. The use of these hard copy Information Reports, as they arrive in DIA, is not time-dominated. They serve to maintain the completeness and the detail required in our information base which supports our on-going scheduled research and analysis effort.

Information Reports are being processed by DIA at the rate of more than 600 a day. Last year approximately 169,000 were received in DIA. It is anticipated on the basis of the flow in the first three months of 1968 that approximately 160,000 will be received this year. I brought for your review some typical examples. These include this Army Attache report on the Enemy Order of Battle for Laos of January 1968, this Naval Attache report on Counter-insurgency Capabilities of the Dominican Navy of April

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1968, and this special report on the Responsibility for BW Research in France prepared in April 1968. I would like to point out that the originators of these Information Reports make direct distribution to a number of principal users at the same time that they forward the Report to DIA for additional dissemination.

Following the receipt of the Information Report in the Dissemination Center, the Center determines appropriate customers or users of the information within the Agency and within the rest of the intelligence community, makes necessary copies, and disseminates simultaneously to all of these users, including the DIA analysts concerned, the Intelligence library, and the automated minicard system. Routine processing of these Information Reports takes approximately eight working days, which includes the time for reproducing the enclosures, dissemination and routing to the desk analysts. For those few Information Reports requiring expeditious handling, the time is cut to a matter of a few hours, by walking the report through the dissemination stages.

While from a management point of view we are vitally interested in shortening the time it takes to get an Information Report which arrives in DIA through the Dissemination Center, to the research analysts, and into the automated storage and retrieval system known as the Minicard, the marked compression of this period of elapsed time is not critical to

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either our basic analytical research program or to our current intelligence production program. We do, however, consider that the improved handling of this large volume of documents to be one of critical management importance and we are constantly striving to accelerate the processing of Information Reports.

In this regard we are now testing the feasibility, from a dollars and cents point of view, of having analysts attempt to shred out those relatively few Information Reports considered to be of little or no value in order to reduce the Minicard automation workload.

What is critical is the rapid, accurate, and comprehensive flow of significant information into DIA in electrical message form. Lest an incorrect inference be drawn from the Staff's findings regarding the flow of hard copy Information Reports into DIA, let me say a few words regarding the flow of hot, significant, up-to-the-minute information into DIA's Intelligence Support and Indications Center which we normally refer to as the DIA Operations Center. Our DIA Operations Center is located in the Pentagon immediately below the National Military Command Center. Through the NMCC and through our secure communication channels with NSA, we are in direct electrical communication with Department of Defense and other US Governmental organizations around the world.

Incoming information reaches DIA by several means. These include secure and unsecure telephones, electrically-transmitted messages, hard copy Information Reports (IRs)

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and photography. Time-sensitive information, which is the essence of current intelligence, is transmitted by telephone and electrical message. Photography, while frequently a vital ingredient of current intelligence, is normally preceded by electrical messages which report the information obtained by photography. While by far the greater bulk of current intelligence reaching DIA is in the form of messages, the telephone at times plays a vital role in the transmission of information. Examples of its use include: Information on a crisis situation from U.S. Defense Attaches, data from other elements of the Washington Intelligence Community exchanged on a daily basis, and the constant exchange of information among the twenty-two Indications Centers of the World-Wide DoD Indications System, of which DIA is the hub.

A large volume of message traffic--some 4,000 to 6,000 messages daily--reaches DIA. All of this traffic is processed through the DIA Operations Center. None of these messages flow through the Dissemination Center. Information Reports do not pass through Operations Center because the collector or originator of the information has already skimmed off and reported the significant material to DIA by electrical message. It has been our experience, since DIA was established, that no significant current

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intelligence has been missed by these procedures for handling the incoming intelligence information.

Message traffic reaches the DIA Operations Center by two principal channels. COMINT moves over CRITICOMM circuits managed by the National Security Agency to the DIA Special Security Office (SSO) which is located physically adjacent to our Operations Center. Other message traffic moves over General Service communications circuits to the National Military Command Center (NMCC) Staff Message Center located just above our Operations Center. Both SSO DIA and the NMCC message center immediately transmit the incoming traffic directly to the DIA Operations Center through a pneumatic tube system. The time interval between dispatch of a message by a collector in the field and its receipt in our Operations Center depends primarily on the message precedence. However, a CRITIC message at FLASH precedence is expected to reach the DIA Operations Center from its point of origin anywhere in the world in about 10 minutes, provided it moves over CRITICOMM circuitry the entire distance. CRITIC messages are always routed into the CRITICOMM channels at the first opportunity.

Information reaching our DIA Operations Center in electrical message traffic covers the broad spectrum of

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classification from UNCLASSIFIED to highly sensitive. I want to reemphasize that none of this electrically transmitted information is moved through the DIA Dissemination Center. Our Operations Center first scans it quickly for warning and indications information and then passes it directly to individual analysts preparing daily current intelligence publications and briefings. At the unclassified base of this spectrum of information are the teletypes of the wire services such as Associated Press and United Press International. Special Intelligence is originated by NSA, a large volume originates with command overseas, such as MACV, attache reports by the DAOs, and a considerable amount is also produced by the cable and telegraphic reports of the State Department and the Central Intelligence Agency.

I have said that the DIA Operations Center is the hub of the multi-service DoD Indications System in which all major commands around the world participate through their own Indications Centers. All twenty-one centers and DIA adhere to DIA's guidance, but the element which provides the utmost cohesion to this system is the common requirement for timely warning of impending danger. The value of an Indications Center to its respective command, and the DoD Indications System as a whole is heightened by its capacity to support and be supported

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by the entire Indications System. These centers are in constant touch with DIA both to supply information in response to a DIA query, or to seek an answer to a query originating within their twenty-one respective commands. This constant two-way exchange is accomplished either by secure telephone or by electrical messages. The DoD Indications System is designed and operates to facilitate exchanges of information or comments upon a given situation. Through our Operations Center DIA has the benefit of the expertise and on-the-spot perspective of experienced intelligence personnel serving in these Indications Centers around the world.

The DIA Operations Center maintains a close working relationship with the National Military Command Center (NMCC). We maintain a DIA representative at the NMCC on a 24-hour basis, who serves as a liaison officer between the two elements. While he is the primary channel through which time-sensitive requests and information moves between our Operations Center and the NMCC, in many cases he is the medium by which such significant information is transmitted to action officers within both elements for further implementation. NMCC and DIA personnel are linked by secure telephones and also move freely between the two elements by a specially constructed stairway which connects the two areas. Our Center not only supplies NMCC with current

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intelligence, but also has access to the NMCC operational information, which may have reference to intelligence information. In some cases, information reaching the NMCC by telephone is bridged directly to the DIA Center and is reported by loudspeaker--this technique, for example, is used whenever Soviet bombers penetrate the North American radar cover and energize the NORAD defense system.

It is not necessary for the DIA Operations Center to disseminate this message traffic to the military departments and the Service war rooms because each Service has its own staff message center and SSO. Incoming traffic intended for these elements, therefore, is addressed directly to them. When warranted, however, DIA does make distribution to them of messages it alone has received in order to insure that their information is complete.

DIA disseminates the current information which it receives by hard copy intelligence publications such as the Daily Intelligence Summary and the Daily Intelligence Bulletins. Cable versions of these publications are also electrically transmitted to consumers around the world. In addition, many other electrical messages disseminate information dealing with specific requests or special situations. These messages

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flow out from DIA on a 24-hour, 7 day-a-week basis.

In summary, because it seemed to me that it would be helpful to you, I have tried to place in perspective the Staff's findings with regard to the dissemination of Information Reports. The information in Information Reports is not time-dominated. It serves to maintain the completeness of our data base in support of scheduled production for the current year and the five follow-on years. In contrast to this, hot up-to-the-minute information of current intelligence value bypasses the Dissemination Center. It is moved by electrical messages and pneumatic tubes directly into the DIA Operations Center, which is the hub of the Department of Defense World-wide Intelligence Support and Indications Center System, to the responsible analysts. Consequently, long before Information Reports arrive, significant intelligence already has moved through our Operations Center, been evaluated, and disseminated to the decision-makers and planners in the Department of Defense and military commanders around the world.

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With respect to Automatic Data Handling, the Staff expressed concern as to the effectiveness of the system used for the storage and retrieval of intelligence information. Prior to the establishment of DIA, each military service operated its own system which contained only intelligence reports produced by that service. Despite its limitations, MINICARD is the best available system for miniaturizing, storing, and retrieving the tens of thousands of reports received by DIA annually.

The Staff commented also on the fact that DIA used one coding system for dissemination and another system for storage and retrieval of incoming intelligence reports. While the codes are similar, they serve two entirely different purposes.

The code used for dissemination must be general in nature and consequently cannot serve as the code for storage and retrieval of intelligence reports. While no confusion arises as a result of the existence of the two systems, inasmuch as they are used for different purposes, we have been conducting for several months a detailed examination of the feasibility of developing a single DoD system.

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With respect to Staff comments on DIA management of Intelligence Data Handling Systems, I should like to make only two points since a detailed response to those portions of the Report dealing with this complex subject is in the hands of the Staff.

First, prior to the establishment of the DIA Automatic Data Processing Center in June 1963, each military service was developing its own automatic intelligence system. Since the establishment of the DIA ADPS Center, DIA has been developing - on an incremental basis - a true worldwide system known as the Intelligence Data Handling System.

Accomplishments to date include:

- Compatibility of existing equipment configurations and programming systems; and
- The facile exchange of tremendous amounts of intelligence data in machine-readable form throughout the entire Intelligence Data Handling System community; and
- Standardization of file content, data element and codes.

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My second point is that much remains to be done in the management of Intelligence Data Handling. The application of automation to the vast volume and broad spectrum of intelligence data is a relatively new, dynamic, and exceedingly complex endeavor. Some of our problems are in process of being solved; others are dependent on advances in computer technology.

In the areas of Intelligence Training and Career Development, considerable progress has been made in the last 4 years. The Air Force now conducts Imagery Training for the Navy and Marine Corps and a school for all Services in Advanced Sensor Application and Use. The Army conducts HUMINT training for all Services. Each Service has made significant advances in Intelligence Career Development Programs. Real progress has been made in the identification of requirements for intelligence personnel and in developing a base to fill the requirements.

It should be noted that generally the Military Services have responsibility for establishing and administering training and career development programs while DIA has responsibility for providing general guidance, for coordination of the

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Departmental efforts, and for periodically reporting progress to the Secretary of Defense.

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SECTION IV - COLLECTION OF MILITARY INTELLIGENCE DATA

The responsibilities of DIA in the collection of Military Intelligence Data are accurately and graphically stated in the Report.

Since its activation in 1961, DIA has processed approximately 21,000 requirements for the collection of intelligence information. We call them Specific Intelligence Collection Requirements. In an effort as complex as this, errors do occur and misunderstandings do arise. It is from these exceptions that the examples contained in the Staff Report were largely drawn. The criticisms will, however, assist DIA in its continuing efforts to maintain a high degree of efficiency in all phases and processes of the collection of intelligence information.

The Report did note some of the collection management improvements being undertaken by DIA and the intelligence community.

The observations concerning the collection of military intelligence data by human resources were generally correct. The difficulty experienced by the Military Departments and

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the overseas commands to develop significant clandestine sources, is caused in part by the large scale use of scarce intelligence resources in support of the Southeast Asia conflict, and in part by the difficulty of the problem itself. Concern regarding the DoD HUMINT effort has been recognized by DIA and has resulted in the preparation of the DoD HUMINT Collection Implementation Plan to provide for more effective management of this activity. Fort Belvoir, Virginia was designated as the site for the HUMINT Center by the Office of The Secretary of Defense on 2 April 1968.

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SECTION V. THE PRODUCTION OF MILITARY INTELLIGENCE

The conclusions contained in this Section of the Report are:

FIRST: DIA's role in the production of intelligence is far removed from the role originally assigned;

SECOND: DIA increasingly is becoming "an additional layer of administrative control superimposed upon the top of the existing DoD intelligence organizations;"

THIRD: While there has been increased emphasis on management of intelligence production, much of the production which was to be removed from the Services with the establishment of DIA, has remained with or is being assigned to the Services, and

FOURTH: There has been a reduction in DIA's production of intelligence concerning the military capabilities of foreign countries.

The Secretary of Defense and the Joint Chiefs of Staff have approved DIA's production mission. In accordance with that mission, DIA is to produce, or through tasking and coordination, provide for the production of military intelligence in support of National Command Authorities, DoD components, other U.S. Agencies and authorized international organizations. In addition, DIA is to provide the military contribution to

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national intelligence.

Thus, DIA on the one hand is the primary producer of Defense Intelligence in Washington and the manager of that portion of Defense Intelligence production which has been recognized as not susceptible to centralization within DIA.

As a producer, DIA's output of finished military intelligence -- to include military capabilities intelligence -- is today far greater than that of comparable products produced by the military services in Washington prior to DIA's establishment. DIA has not reduced its level of production operations in favor of increased management.

DIA's production management role should not be described as "an additional layer" of administrative control. Before DIA was organized there were three separate Service production efforts in existence; each was quite independent, although there were various procedures for coordinating certain parts of this production effort. These procedures were not effective in reducing duplication. DIA's management role has become a consolidation of three separate and independent management efforts. We exercise this management role through the appropriate chain of command -- through the U&S Commands for

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military intelligence which is to be produced overseas, and through the Military Departments for intelligence which is to be produced by activities controlled through that chain of command.

This integration of intelligence production management has resulted in considerable streamlining and the elimination of unnecessary duplication. Intelligence which is produced in one command and is useful to other commands is made available to them. They do not have to maintain their own independent data base. Current intelligence publications have been considerably reduced. With all of this, the Military Departments do produce certain categories of intelligence because this is more operationally effective than would be the case if these kinds of intelligence activities were completely consolidated with the DIA. Scientific and technical intelligence, counterintelligence, and the production of maps and charts are three specific areas which are retained within the Military Departments. DIA exercises differing degrees of supervisory coordination over each of them.

In summary, DIA considers that its role as the primary producer of military intelligence in Washington and its

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management of non-DIA production are complementary roles and assure the most economical, efficient, and effective use of DoD intelligence resources.

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SECTION VI. NUMBER OF CIVILIAN AND MILITARY PERSONNEL
EMPLOYED IN MILITARY INTELLIGENCE ACTIVITIES

The Staff perceived and acknowledged many of the difficulties extant in attempting to extrapolate from or align data which DIA provided to the Staff at various times under various criteria, hence not always comparable. It is submitted that these derived numerical values of themselves without adequate explanation or correlation can be essentially correct but misleading, and it is suggested that such is the case in this instance.

By way of example, the following represents some of the ancillary data concerning increases attributed to the "Washington level":

Air Force appears to show an increase of more than 1200 positions -- an erroneous and misleading impression. FY 1967 data included more than 670 positions in [REDACTED]

DIA 25X1 [REDACTED] an organization which was not included in the earlier data.

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In the Air Force Counterintelligence and Security field, the FY 1967 data included over [] of the entire 1005th Special Investigations Group. Previous data reflected only the positions in the Director, Office of Special Investigations, some 150, excluding the 1005th Special Investigations Group. In both these examples, [] and OSI, accounting for virtually the entire Air Force difference, the change from the past results from the method of accounting. Personnel of these units have been with us in prior years but not included in earlier tabulations. Obviously, the "increase" is added and reflected in the Staff's data to both the Washington level and worldwide.

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Navy information follows a similar pattern.

FY 67 Washington level data includes over [] positions for the Naval Reconnaissance and Technical Support Center [] and Hq Naval Investigative Service [] formerly being considered as operational support activities and therefore not counted as "Washington level."

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The Army data can be reconciled in much the same fashion as the Air Force and Navy. FY 67 Washington level data includes the National Agency Check Center and the Defense Central Index of Investigations which had not been included in prior year computations. However, the Foreign Science and Technology Center (FSTC) which had been included previously was deleted in the FY 67 figures to provide a more consistent treatment of the function which is performed by the Foreign Technology Division (FTD) in the Air Force and by the Scientific and Technical Intelligence Center (STIC) in the Navy and not included in "Washington level."

In its evaluation the Staff Report recognizes the difficulty in precise reconciliation of the pre-DIA FY 1961 figures with the FY 1967 authorizations saying, "All 3 services added, for FY 1967, authorized spaces for some activities not previously included in the Washington level figures. It is impossible, without making a detailed study of the history of these organizations, to determine whether any of this manpower should

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have previously been included in the Washington level figures."

Previous comments on the Washington level changes impacting on the worldwide totals, should be supplemented to round out the picture. With the military operations in Southeast Asia, the related service intelligence strengths have shown some commensurate changes. For example, an Army Military Intelligence Battalion (519th) increased from [] for Southeast Asia support.

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Navy Fleet Support Activities (Photo and Reconnaissance Aviation units) with an increase in the number of squadrons have added over [] intelligence positions to the worldwide inventory.

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SECTION VII. MANPOWER UTILIZATION

The Report noted that manpower performance standards, which assist in determining the number of people required to perform certain jobs, had not been developed by DIA or the Military Services. This problem has been recognized for at least the last 15 years and progress has been made. Many complex problems remain in establishing these manpower performance standards for such positions as an intelligence analyst whose workload has many variables. The data and practices noted in the Report will be used by DIA in addressing this problem.

The Report also outlined Bureau of the Budget organizational guidelines and made comments on organizational practices in DIA and intelligence activities in DoD. DIA is acutely aware of the benefits which are derived from sound organization and management practices and has procedures in effect to attain these goals. In the field of intelligence, compartmentation for security reasons is frequently required to a greater degree than in other less sensitive activities. Occasionally, such security measures have the appearance of layering or fragmentation. I consider that DIA is properly organized to accomplish its important mission.

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With respect to the organization and staffing of Defense Attache Offices, it should be noted that significant progress has been made by DIA in the amalgamation of three separate Service Attache systems into a unified system with a savings of personnel. Reductions in personnel strengths were not "arbitrarily made" as indicated in the Report, but only after deliberate consideration by the Joint Chiefs of Staff and The Secretary of Defense.

The Report contained observations that, with respect to Military Personnel, DIA had reduced the number of Colonels and Navy Captains assigned - some overages in other grades existed - there had been overlaps in some assignments and for some similar duty positions in DIA, different grades were authorized.

Overages in the grade 05 and above are due to the promotion of officers after they are assigned to the Agency. Because of the constant turnover of military personnel, it is normal military personnel policy to correct such grade imbalances through normal attrition and internal adjustments rather than through the requisitioning process as suggested by the Investigating Staff. The overage of six senior

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enlisted personnel was also caused by promotions.

As of 30 June 1967, the date used for most information in the survey, DIA's authorizations for grades 05 (Lt Col/CDR) and above, exclusive of the Defense Attache System (DAS), was 42 percent, i.e., 455 of a total of 1071 officer authorizations. These data reflect approximately a ten percent decrease in the higher grades concerned, during a period when the total Agency officer strength was increased. As of 31 March 1968, the percentage of officers at grade 05 and above was 41 percent (486 of a total of 1185 officer authorizations).

By its nature, mission and structural location in the military and national intelligence community, DIA requires officers with the experience, training, seniority, and skill that are usually found in grades 05 and higher. Officers with lesser grade will usually not have had enough years of service to permit the development of an experience level needed to meet the requirements of the job.

Not to be overlooked, however, is the fact that 699 officer positions in DIA are at grade 04 (Major/LCDR) and below.

The increase in the number of DIA positions in the rank of Army or Air Force Captain and Navy Lieutenant senior grade

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was based entirely on the requirements of the positions and the tasks to be performed. The Agency's grade determination for a position is based on the requirement of the job to be performed and not on a predetermined ratio of the overall military personnel authorization.

Civilian Personnel

In the area of Civilian Personnel Management, the two major items to be discussed are civilian grade control and position classification.

First, I would like to address the subject of grade control. During the staff survey we provided information which showed a reduction in our average grade level from 9.6 to 8.76 during the three years since the last survey. We also showed a reduction in the percentage of positions at all grade levels, GS-11 and above. The Committee report stated that this information was misleading, since we had not reduced the total number of high level positions, and we had raised more grades than we lowered during Fiscal years 1966 and 1967. The information which we provided was in no way intended to be misleading. We used the same

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statistical approach throughout the 1964 report and the current report.

The report emphasizes that we upgraded more positions than we downgraded and also that we had increased our GS-14 and GS-15 positions by 10 since the last survey report. These are true statements. However, it should also be noted that while there were 10 upgradings to the GS-14 and GS-15 levels, there were also 11 downgrading actions from the same levels. The overall increase of 10 employees at the GS-14 and GS-15 levels did not result from upgrading actions but rather from new hires associated with the 749 personnel increase since 1964.

These upgrade and downgrade actions are the result of our annual classification surveys, and are only a part of our total grade control program. The results of these surveys alone is not a measure of our grade control system or of results achieved. In addition to these surveys there is a joint manpower-personnel review of new positions, and a review of positions as they become vacant. During all of these reviews, care is taken to insure the most economical grade structure consistent with our mission requirements and the

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classification system. Another important method used by DIA in reducing our average grade level is the re-engineering of professional positions downgraded to accommodate our college entry-level program.

It is recognized that the transfer of the attache function did affect the average grade level as mentioned in the staff report; however, this was only 20 percent of the overall Agency strength increase during the period. The other 80 percent of the increase constituted the bulk of the positions where the Agency had full flexibility to insure effective control of the grades.

The staff correctly pointed out certain deficiencies in the maintenance of position descriptions, and in the timely conduct of cyclic classification surveys. Prompt corrective action is presently underway. A number of individual personnel actions were also critically cited in the report. These are presently being analyzed with a view toward appropriate corrective action.

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SECTION VIII. COSTS OF MILITARY INTELLIGENCE ACTIVITIES

The Report adequately addressed the programmed costs of military intelligence activities for FY 1968. There is, however, an item that should be clarified for a better understanding of the Consolidated Intelligence Program (CIP) system.

The Report states that certain costs of the SR-71 program reflected in the CIP are duplicated in the DoD Five Year Defense Program (FYDP). It is emphasized that the CIP is an integral part of the FYDP and the resources reflected in the CIP are an exact recapitulation of the approved FYDP for the CIP Program Elements wherever they may appear. Therefore, this duplication is logical and deliberate.

Gentlemen: This concludes my statement. I shall be pleased to answer any questions which you may have.